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Centralised Company Announcements Platform
Australian Stock Exchange
Exchange Centre, 20 Bridge Street
Sydney NSW 2000

QUARTERLY ACTIVITIES AND CASHFLOW REPORT 30 SEPTEMBER 2010

Please find attached the Quarterly Activities and Appendix 5B Quarterly Cashflow reports for the quarter ended September 30, 2010.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Richard Monti", is positioned below the closing text.

Richard Monti
Executive Director



ASX Release

October 28, 2010

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Directors:
Ananda Kathiravelu - Chairman
Richard Monti
Brian Thomas

Issued Capital:
45,381,224 Ordinary Shares
1,000 Class A Converting Shares
2,000 Class B Converting Shares
3,000 Class C Converting Shares
5,500,000 Unlisted Options

ASX Code:
TRH

QUARTERLY ACTIVITIES REPORT FOR THREE MONTHS ENDED 30 SEPTEMBER 2010

Highlights

- ❖ Potash Project Prospecting Permit Application progressing through engagement with the Federal Government
- ❖ A Memorandum of Understanding was agreed to acquire Water Rights for the Potash Project
- ❖ Transit to spin out iron ore assets into Radar Iron Ltd
- ❖ Field review of iron ore prospects confirms potential for both hematite and magnetite mineralisation
- ❖ Cash position of \$4.2m

Overview

The board of Transit Holdings Ltd ("Transit") is pleased to present its quarterly activities report for the quarter ended 30 September 2010.

At Transit's Paradox Basin Potash Project in the in south eastern Utah, USA, the Company is negotiating a permitting route with the Federal Government for the extensive land holdings on Federal Land administered by the BLM. Geological studies are finalizing the location of drill holes required for drilling the project to a JORC compliant resource status

The Company settled on the optimum process to advance its Yilgarn Iron Ore strategy. The iron ore assets will be spun out into a new entity, Radar Iron Ltd (Radar) and funds raised will enable the rapid drill testing of the key iron ore assets aiming at initial mineral resources being estimated by mid 2011. The Company will maintain approximately a ~37% stake in Radar to benefit from any further success and enable the current cash resources to be used evaluating the key Potash project.

POTASH - K2O UTAH LLC JOINT VENTURE

Exploration

Transit's Joint Venture vehicle, K2O Utah LLC ("K2O"), focused its activities in the September quarter on addressing the regulatory issues surrounding permitting of exploration, that were flagged in the June quarterly report. During the quarter, an intensive lobbying campaign in all key branches of government, was conducted and led late in the quarter to agreement with the Bureau of Land Management that K2O Utah LLC's prospecting permit application will be accepted and processed providing that K2O Utah enters a Memorandum of Understanding that commits to undertaking a study under the NEPA (National Environmental Policy Act) prior to the receipt of a Preference Right Lease. This encouraging development has delineated a path for permitting the drilling of the project.

Following this development, the company commenced work on the completion of a Prospecting Permit Application which has included siting of drillholes and preparation of environmental permitting documents. This application will be filed in the December quarter. A sequence of drill holes has been designed that includes approximately six drillholes expected to provide initial resource delineation, and then a further programme designed to provide infill drilling.

During the quarter under review, the company completed its review of a database of 80 miles of 2D seismic information, and committed to the purchase of a number of seismic data packages which will be processed and analysed in the December quarter.

Water Rights, for the use of 808 acre feet of water, were secured under an agreement reached in the quarter with a holder of water rights in San Juan County. This is the first step towards fully covering the acquisition of water rights for the project.

Community meetings in San Juan County during the September quarter have revealed strong support for the project, which will be a provider of jobs and tax income in an economically depressed area that remains supportive at grass roots level of mining.

CENTRAL YILGARN IRON ORE PROJECT

Exploration

Following the geophysical evaluation of gravity and magnetic data in 2009 of the Johnston Range tenements, 31 hematite targets were identified. A further two were defined from Landsat imagery interpretation. During the September Quarter three field trips were completed to further evaluate the targets and for general geological review.

Mapping was largely focused on the Johnston Range tenements but with some work completed at the Evanston and Die Hardy Projects. 26 rock chip samples were taken. The field work was focused on both hematite and magnetite mineralisation and confirmed the presence of extensive outcrop of banded iron formation (BIF), i.e. magnetite mineralisation potential with localised areas of enrichment representing hematite targets. Magnetite assays were typically in the 35-40% Fe range consistent with other magnetite resources defined in the region. Hematite /goethite mineralisation samples consistently returned assays above 60% Fe with the largest zone of enrichment potentially up to 1.6Km in length.

Following the field evaluation 12 priority targets were selected for initial drill testing, seven for hematite and five for magnetite. All targets are in the Johnston Range Project apart from one magnetite target at the Die Hardy Project. Six programme of works (PoWs) were submitted for drilling approval and by late October, three had been approved. Drilling is scheduled to commence in the December Quarter.

Radar Iron Spin Out

Following a review of options to unlock the value of the iron ore assets in Transit a decision was made to spin out the assets into a new company – Radar Iron Ltd (Radar). It is planned to complete the process in the December Quarter and raise \$5-8M. Transit will retain a ~37% interest in Radar and exposure to exploration success. Approval for the proposed sale of the assets will be subject to a motion at Transit's AGM in November. Details of the proposal will be contained in a prospectus to be released in November and the Notice of Annual General Meeting.

Corporate

An integral part of the Company's move to assess the value of its iron ore assets is the appointment of Jonathan Lea to drive forward Transit's iron ore strategy. Jon has qualifications in geology and mineral economics with 25 years experience in the international resource industry.

He held the roles as Technical Director and Managing Director of Polaris Metals Ltd until the takeover by Mineral Resources Ltd. During Jon's tenure Polaris made significant discoveries in the YIOP of haemetite/goethite mineralisation, commencing the development process towards mining and also advancing the Mayfield magnetite project.

Transit's cash position at 30 June 2010 was ~\$4.2 million.

ASX Announcements

The Company made the following announcements during the quarter.

Date	Details
26/10/2010	Notice of Annual General Meeting/Proxy Form
22/10/2010	IRON ORE ASSET SPIN OUT
20/10/2010	Trading Halt
12/10/2010	Response to ASX Price and Volume Query
14/09/2010	Iron Ore Update - Johnston Range
6/09/2010	TRH Presentation - Iron Ore Strategy
3/09/2010	Annual Report to shareholders
2/09/2010	Haemetite Targets Defined at Johnston Range Project
30/08/2010	Transit Iron Ore Strategy
29/07/2010	Quarterly Activities and Cashflow Report
22/07/2010	Ceasing to be a substantial holder

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Transit Holdings Ltd

ABN

121 184 316

Quarter ended ("current quarter")

30 September 2010

Consolidated statement of cash flows

Cash flows related to operating activities

1.1 Receipts from product sales and related debtors

1.2 Payments for (a) exploration and evaluation
(b) development
(c) production
(d) administration

1.3 Dividends received

1.4 Interest and other items of a similar nature received

1.5 Interest and other costs of finance paid

1.6 Income taxes paid

1.7 Other (provide details if material)

Net Operating Cash Flows

Cash flows related to investing activities

1.8 Payment for purchases of: (a)prospects
(b)equity investments
(c) other fixed assets

1.9 Proceeds from sale of: (a)prospects
(b)equity investments
(c)other fixed assets

1.10 Loans to other entities

1.11 Loans repaid by other entities

1.12 Other (provide details if material)

Net investing cash flows

1.13 Total operating and investing cash flows (carried forward)

	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(414)	(414)
(b) development	-	-
(c) production	-	-
(d) administration	(116)	(116)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	92	92
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(438)	(438)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects	-	-
(b)equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a)prospects	-	-
(b)equity investments	-	-
(c)other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(438)	(438)

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(438)	(438)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other - Capital Raising Costs	-	-
Net financing cash flows		-	-
Net increase (decrease) in cash held		(438)	(438)
1.20	Cash at beginning of quarter/year to date	4,626	4,626
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	4,188	4,188

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	33
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

Amounts paid to directors includes salaries and wages for director services.

Non-cash financing and investing activities

2.1

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Appendix 5B
Mining exploration entity quarterly report

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	400
4.2	Development	-
4.3	Production	-
4.4	Administration	100
Total		500

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
5.1	Cash on hand and at bank	1,188	1,626
5.2	Deposits at call	3,000	3,000
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)		4,188	4,626

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed				
6.2	Interests in mining tenements acquired or increased				

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i> (Converting shares)	1,000 Class A Converting Shares	-	Nil	Nil
	2,000 Class B Converting Shares	-	Nil	Nil
	3,000 Class C Converting Shares	-	Nil	Nil
7.2 Changes during quarter				
(a) Increases through issues				
(b) Decreases through returns of capital, buy- backs, redemptions				
7.3 +Ordinary securities	45,381,224	45,381,224		
7.4 Changes during quarter				
(a) Increases through issues				
(b) Decreases through returns of capital, buy- backs				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter				
(a) Increases through issues				
(b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	250,000 2,250,000 3,000,000 5,500,000	- - -	<i>Exercise price</i> 35 cents 40 cents 40 cents	<i>Exercise date</i> 31/01/11 31/12/12 31/12/12
<i>Total</i>				
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



Date: 28 October 2010

(Director/**Company secretary**)

Print name: Morgan Barron

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Cash Flow Statements* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.